

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301

WASHINGTON, D.C.

20036

(202) 393-2266

FAX (202) 393-2156

E-MAIL alvordlaw@aol.com

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A LESTER

June 28, 2007

RECORDATION NO. 24765-A FILED

JUN 28 '07 -11 00 AM

SURFACE TRANSPORTATION BOARD

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
395 "E" Street, S.W.
Washington, D.C. 20423-0001

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Assignment of Lease Agreement, dated as of June 27, 2007, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Equipment Lease previously filed with the Board under Recordation Number 24765.

The names and addresses of the parties to the enclosed document are:

Assignor: Merrill Lynch Capital
222 North LaSalle Street 17th Floor
Chicago, Illinois 60601

Assignee: ALF P-III, Inc.
70 West Madison Street, Suite 2080
Chicago, Illinois 60602

Mr. Vernon A. Williams
June 28, 2007
Page 2

A description of the railroad equipment covered by the enclosed document is:

14 locomotives: CPDR 3890 - CPDR 3891, CSCD 1001 - CSCD 1002, HESR 3865 - HESR 3868, NECR 3869, OTVR 1463, OTVR 1483 - OTVR 1484 and SJVR 2036 - SJVR 2037.

A short summary of the document to appear in the index is:

Memorandum of Assignment of Lease Agreement.

Also enclosed is a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Robert W. Alvord".

Robert W. Alvord

RWA/sem
Enclosures

JUN 28 '07 -11 00 AM

MEMORANDUM OF
ASSIGNMENT OF LEASE AGREEMENT

SURFACE TRANSPORTATION BOARD

This MEMORANDUM OF ASSIGNMENT OF LEASE AGREEMENT ("Assignment") is made entered into as of June 28 2007, by and between Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., ("Assignor"), and ALF P-III, Inc. ("Assignee").

WITNESSETH:

1. Assignor has agreed to assign to Assignee, and Assignee has agreed to assume, Assignor's rights and obligations under that certain Equipment Lease dated January 9, 2004 by and between Assignor and RailTex, Inc., (the "Lessee"), pursuant to which Assignor leased fourteen (14) locomotives more specifically identified on Schedule 1 attached hereto and made a part hereof, (the "Equipment") to Lessee;

2. Evidence of the Lease has been recorded with the Surface Transportation Board pursuant to 49 U.S.C. §11301 and assigned recordation number 24765.

3. This Memorandum of Assignment Agreement shall be effective as of the date first set forth hereinabove.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Assignment Agreement to be executed and delivered by their duly authorized representatives as of the date set forth above.

MERRILL LYNCH CAPITAL, A DIVISION OF MERRILL
LYNCH BUSINESS FINANCIAL SERVICES INC.

By: [Signature]
Name: John T. Lansing
Title: VP

ALF P-III, INC.

By: _____
Name: Vincent A. Kolber
Title: President

MEMORANDUM OF
ASSIGNMENT OF LEASE AGREEMENT

This MEMORANDUM OF ASSIGNMENT OF LEASE AGREEMENT ("Assignment") is made entered into as of June 28 2007, by and between Merrill Lynch Capital, a division of Merrill Lynch Business Financial Services Inc., ("Assignor"), and ALF P-III, Inc. ("Assignee").

WITNESSETH:

1. Assignor has agreed to assign to Assignee, and Assignee has agreed to assume, Assignor's rights and obligations under that certain Equipment Lease dated January 9, 2004 by and between Assignor and RailTex, Inc., (the "Lessee"), pursuant to which Assignor leased fourteen (14) locomotives more specifically identified on Schedule 1 attached hereto and made a part hereof, (the "Equipment") to Lessee;

2. Evidence of the Lease has been recorded with the Surface Transportation Board pursuant to 49 U.S.C. § 11301 and assigned recordation number _____.

3. This Memorandum of Assignment Agreement shall be effective as of the date first set forth hereinabove.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Assignment Agreement to be executed and delivered by their duly authorized representatives as of the date set forth above.

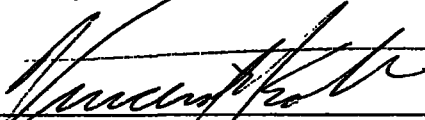
MERRILL LYNCH CAPITAL, A DIVISION OF MERRILL
LYNCH BUSINESS FINANCIAL SERVICES INC.

By: _____

Name: _____

Title: _____

ALF P-III, INC.

By:  _____

Name: Vincent A. Kolber

Title: President

SCHEDULE I
to
MEMORANDUM OF
ASSIGNMENT AND ASSUMPTION AGREEMENT

Fourteen (14) locomotives as described bearing reporting marks and road numbers as follows:

EMD GP-38	CPDR	3890
EMD GP-38	CPDR	3891
EMD GP-10	CSCD	1001
EMD GP-10	CSCD	1002
EMD GP38-2	HESR	3865
EMD GP38-2	HESR	3866
EMD GP38-2	HESR	3867
EMD GP38-2	HESR	3868
EMD GP-38	NECR	3869
EMD GP-9	OTVR	1463
EMD GP-9	OTVR	1483
EMD GP-9	OTVR	1484
EMD GP-20	SJVR	2036
EMD GP-20	SJVR	2037

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

On this 27 day of June, 2007, before me the undersigned Notary Public, personally appeared John Lansing, personally known to me or proved to me by satisfactory evidence to be the person who executed the foregoing instrument, who, being by me duly sworn, says that he is the Vice President of Merrill Lynch Business Financial Services Inc., and acknowledged to me that he/she duly executed the foregoing instrument and that said execution was his/her free act and deed and the free act and deed of said corporation.

Kathleen Thomas
(Notary Signature)

My commission expires:
4/10/2010



STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

On this ____ day of June, 2007, before me the undersigned Notary Public, personally appeared Vincent A. Kolber, personally known to me or proved to me by satisfactory evidence to be the person who executed the foregoing instrument, who, being by me duly sworn, says that he is the President of ALF P-III, INC., and acknowledged to me that he/she duly executed the foregoing instrument and that said execution was his/her free act and deed and the free act and deed of said corporation.

(Notary Signature)

My commission expires:

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

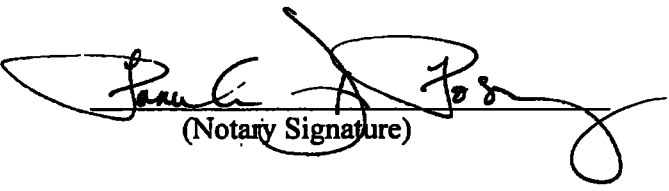
On this ____ day of June, 2007, before me the undersigned Notary Public, personally appeared _____, personally known to me or proved to me by satisfactory evidence to be the person who executed the foregoing instrument, who, being by me duly sworn, says that he is the _____ of Merrill Lynch Business Financial Services Inc., and acknowledged to me that he/she duly executed the foregoing instrument and that said execution was his/her free act and deed and the free act and deed of said corporation.

(Notary Signature)

My commission expires:

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

On this 21st day of June, 2007, before me the undersigned Notary Public, personally appeared Vincent A. Kolber, personally known to me or proved to me by satisfactory evidence to be the person who executed the foregoing instrument, who, being by me duly sworn, says that he is the President of ALF P-III, INC., and acknowledged to me that he/she duly executed the foregoing instrument and that said execution was his/her free act and deed and the free act and deed of said corporation.


(Notary Signature)

My commission expires:

